

Carroll Avenue Extra.

GOVERNOR'S MESSAGE.

Gentlemen of the Senate and House of Representatives: We have assembled to dedicate ourselves anew to the performance of the duties of the responsibility entrusted to our care. We cannot be unmindful of the magnitude of these trusts and the wisdom and courage necessary to administer them with fidelity and justice, and that we may not be wanting in our conception of, or half in our efforts to enforce what is right, let us reverently ask for the Divine assistance, that our consciences may be enlightened and our hearts set aright for the task.

FINANCER.
The condition of the finances of the State, as exhibited in the appended statements, demonstrates clearly the ability of our people to pay all their indebtedness as it accrues, and is an interesting commentary upon the stability and efficiency of our tax system, but it likewise plainly shows the necessity for some modification of existing laws for the distribution of the revenues, if the difficulties that beset legislation at the last session are to be avoided.

Debt Redeemed.

During fiscal year ending November 30, 1875:	
Five per cent. loan.....	894,112 43
Six per cent. loan.....	1,241,361 72
Relief notes.....	12 00
Interest certificate.....	30 48
Total.....	1,335,497 63

Receipts.

During fiscal year ending November 30, 1875:	
Balance in treasury November 30, 1874.....	\$1,651,251 65
Receipts.....	6,480,099 92
Total.....	7,331,400 67

Disbursements.

Ordinary expenses.....	\$3,336,780 20
Loans to.....	1,535,421 00
Interest on loans.....	1,289,176 48
Total.....	\$6,141,430 40

Balance in treasury November 30, 1875..... \$903,207 27

Handed Debt.

Six per cent. loan.....	\$14,183,380 00
Five per cent. loan.....	1,809,281 68
Four and a half per cent. loan.....	87,000 00
Total.....	\$15,100,000 00

Unfunded Debt.

Relief notes in circulation.....	\$90,184 00
Interest certificates outstanding.....	13,038 64
Interest certificates uncollected.....	4,418 28
Debit certificates.....	25 00
Chambersburg certificates outstanding.....	9,626 00
Chambersburg certificates uncollected.....	109 24
Total public debt.....	\$29,233,137 74

Sinking Fund Assets.

Bonds of Pennsylvania railroad company.....	\$3,400,000 00
Stocks of Allegheny Valley railroad company.....	3,400,000 00
Cash in sinking fund.....	8,232,544 36
November 30, 1875.....	9,042,028 49
Indebtedness unprovided for.....	\$13,766,564 80

The appropriations made for the fiscal year ending November 30, 1875, exceeded the receipts of the general revenue fund \$515,821.22, and with like appropriations and receipts the deficit for this year would be doubled. It is estimated, however, that the revenue of this year will be five hundred thousand dollars less than that of last year, which would make the deficiency at the end of the current fiscal year about one million five hundred thousand dollars. The appropriations can be reduced. The appropriations are already made for that part of the fiscal year embraced between December 1, 1875, and June 1, 1876. Moreover, the principal appropriations, such as for schools, the ordinary expenses of the government, are fixed by the constitution or by law, except those for public charities, and they will demand unusually large amounts at this season by reason of their failure to receive anything at the last. It is manifest, therefore, that the appropriations cannot be materially reduced, and the deficiency must be provided for either by the imposition of new taxes or the diversion into the general fund of some of the revenues now flowing into the sinking fund. To levy new taxes at a time when the business and industrial interests are prostrated would be unwise and a great hardship, and would justly meet with public condemnation. The necessity, therefore, of the re-distribution of the revenues is as obviously a duty that is urgent, and demands your immediate attention.

By virtue of a constitutional amendment, the sinking fund was created for the purpose of gradually reducing the public debt at a time when it exceeded forty million of dollars. An annual reduction of two hundred and fifty thousand dollars, and the payment of interest of the fund debt were its only requirements, and they have been faithfully fulfilled by the sinking fund commissioners since the creation of the fund in 1867. It will also be observed by the following statements, the most sanguine hopes of the framers of the constitutional amendment have been more than realized, during the last eleven years the annual reduction of the debt averaging nearly a million and a half of dollars: Public debt December 1, 1864..... \$30,379,603 94
Public debt December 1, 1875..... 23,233,137 74
Total reduction in eleven years..... 16,146,466 20
Average annual reduction..... 1,467,860 96

The appended statement will show the balance of the estimated receipts of the sinking fund, at the expiration of the fiscal year after the requirements of the constitution will have been complied with:

Tax on corporation stocks.....	\$2,100,000 00
Commission of tonnage.....	400,000 00
Allegheny Valley railroad bond.....	100,000 00
Interest on Allegheny Valley railroad bonds.....	110,000 00
Total.....	2,610,000 00

Constitutional requirement of annual reduction of public debt..... \$250,000 00
Interest on public debt..... 1,260,000 00
Surplus..... \$1,280,000 00

It will thus be seen with the present distribution of the revenues, there will remain each year in the sinking fund, after the payments which the constitution requires, over a million and a quarter of dollars, and when it is remembered that the amount of interest to be paid will annually decrease and the receipts be greater,

owing to the natural accretion of the taxes, the amount of this balance will be augmented from year to year. If this surplus is annually applied to the extinguishment of the debt, a careful calculation will show, that in ten years the entire indebtedness of the State will be redeemed. However desirable this reduction may be, and gratifying as it certainly would be to the executive, under whose administration a large portion of it would be made, yet the diminution of the State's revenues, the amount of a million of dollars, and the five hundred thousand dollars additional expenses made necessary by the new organization in behalf of common schools, the judiciary and legislature, and the claims of deserving public charities, forbid a large reduction as the revenues are now distributed. By another calculation it appears that by taking one-third of the corporation tax, which the legislature assigned to the sinking fund, and dedicating this one-third to the uses of the general fund, the whole indebtedness can still be liquidated in fifteen years. Without additional taxation, a fund may thus be created, that with the other revenues of the State, the general fund, will, with prudent management, possibly be sufficient to meet all the necessary and proper expenses of the government, and I recommend that this change be made.

At the end of the last fiscal year there remained in the sinking fund the sum of nine hundred and thirty-four thousand and twenty-eight dollars and fifty-nine cents. There can be no further redemption of public debt until August, 1877, as all state bonds remaining unpaid at that time have been paid; and in the meantime the sinking fund, in addition to the above amount, will continue to accumulate a large balance, which there is no authority to invest. I therefore recommend the enactment of a law authorizing the sinking fund commissioners to invest the surplus funds in the bonds of the State or the United States as they deem most advantageous, which in accordance with the provisions of our constitution, can be made, and that these investments be directed to be made monthly.

EDUCATION.

The prosperous condition of our public schools affords abundant occasion for just pride. The exhibit made in the report of the superintendent of public instruction is a gratifying illustration of the liberality and public spirit of our citizens, and an earnest pledge of what may be expected of them when any great or beneficent object engages their sympathy and support. Ten years ago the commonwealth had one thousand seven hundred and thirty-three schools, with a total enrollment of five hundred and thirty-five thousand six hundred and twenty-five. During the last decade the value of her school property has appreciated from one hundred and sixty-four thousand eight hundred and eighty-four dollars to two million one hundred and fifty-nine thousand four hundred and fifteen dollars and eighty-three cents. In 1865 the State expended upon her public schools the sum of one hundred and thirteen thousand two hundred and thirty-nine dollars and fifty-five cents. In 1875 the outlay for the same purpose was nine millions three hundred and sixty-three thousand nine hundred and twenty-seven dollars and seventeen cents. Thirteen thousand eight hundred and sixty-three teachers attended, during the last year, the Teachers' Institutes held throughout the commonwealth. In 1865 there were only two thousand three hundred and sixty-five in attendance upon their sessions. These figures are eloquent of the generosity of our citizens and their ardent desire to facilitate the attainment and promote the progress of education. It is interesting to observe, also, that those employed in the instruction of our youth appreciate this liberality of our people, and are zealously striving to make our school system so comprehensive and thorough that there will be a fitting return for the whole duty and expenditure incurred. It is an accepted maxim that the education of its youth is the most important subject that can engage the attention of a community. There is no capital more productive, nor any more solid, than that which is invested in the education of its youth. The welfare of a State depends on the inculcation of sound principles and habits of industry among its children. It is as true as it is a true saying, that idleness and vice are great burdens to society, and that virtue and industry are great blessings to its welfare and dignity. Our title to the respect and gratitude of posterity will therefore largely depend upon our efforts in behalf of right education, and it is for us to gravely consider whether we are doing the whole duty by providing each year for the necessary expenses of the school department, and make no endeavor to extend its usefulness and benefits to new fields of instruction. Is it not a reproach upon our wisdom and our good sense, that we neglect the neglected children in our midst, may it not be said upon our humanity to expend \$10,000,000 annually upon public education and find thousands of children who will not or can not avail themselves of its benefits, or who have contributed more to the advancement of human comfort and the abridgement of labor by the application of mechanical principles, or are more prolific of invention of a useful kind than America, and yet we neglect the children who are the development of this genius and the study of these principles in their systems of public instruction than our own. With such capabilities and the opportunities for the application of mechanical principles, our great resources, our unfolding and manufacture of our great resources, does it seem the part of prudence and common sense to permit all this vast expenditure to be made without embracing in the plan some number of instruction that will at least fit a small number of children for some special trade or occupation?

My opinions upon the subjects of compulsory and industrial education are well known and it is unnecessary for me to repeat them. They have discovered themselves to me after mature and conscientious thought and investigation, and are founded, I believe, upon principles of sound policy, and as their discussion and negotiation are of the nature of public attention, I respectfully ask if the nature and importance of your trust as legislators do not exact of you some consideration in this regard.

NORMAL SCHOOLS.

The methods of teaching have been vastly improved in the last few years, and it is conceded by many of these methods are the only ones of the normal schools of the State, the teachers from which have contributed very materially to the character and efficiency of the public schools. Some persons have a narrow fitness for teaching, but in many instances the qualifications are acquired, and in no way can they be so readily obtained as by the special preparation and technical instruction received at the normal schools, where the principles and practices of teaching are inculcated by experienced preceptors. The greater the number of these schools, the higher we raise their standard, and the more thorough the instruction imparted within their walls the more widespread will be their influence, and to secure competency and promote the welfare of teachers and pupils alike, I trust the legislature will extend to the normal schools whatever assistance may be needed to insure their increased efficiency and usefulness.

SOLDIERS' ORPHANS.

The continued favor of the legislature to the schools wherein the orphans of soldiers are maintained and taught, is an agreeable proof of the patriotism of our people. What prouder monument could we erect to the Pennsylvanians who fell in battle than to care for and educate their children? There will be little hope for our institutions, when we cease to be grateful to those who bled or died in their defense. No more responsible charge, and one which does more honor to her head and heart, has been assumed by this commonwealth than these schools for the support and instruction of our soldiers' orphans; and it is of the gravest importance that this trust should be administered not only in good faith to the State, but with a special view to the comfort and careful education of these unfortunate children. Ten years have elapsed since the close of the war, and many of the children of our deceased soldiers

have reached years of maturity. Every year the number for whom the State must provide becomes less, and it is apparent that there is no necessity for the continuance of so many schools of this kind, and that under the present system, with the number of pupils decreasing each year, and the receipts for their maintenance and instruction correspondingly diminishing, the proprietors of these schools cannot conduct them without loss or necessarily reducing the food, clothing or tuition of the children. These proprietors are paid a stipulated sum for the care, tuition, clothing and food of each child. The sum paid is upon a basis that gives to each scholar one and a half times the actual cost. It is manifest, when this number is reduced one hundred, and all arrangements have been made for the care and instruction of two hundred, either the proprietors or the children must suffer, and to rescue both from such a painful situation, I recommend that the superintendent of public instruction be directed to select the best schools at the most advantageous points, to which shall be transferred all the children for whom provision is made, and that this process continue until the last orphan child is educated. Under this system, there will be no temptation to maintain these schools perhaps to the detriment of the children, and the State will be relieved that its bounty is properly and fully bestowed.

MUNICIPAL GOVERNMENT.

There is no political problem that at the present time, occasions so much just alarm, and is obtaining more serious and anxious thought than the government of cities, whose administration in many sections of the country is fraught with peril, not only to the material prosperity of our State, but to the welfare and permanency of the Republic. Is it not therefore incumbent upon those who are charged with the conduct of public affairs, as well as those who are concerned with the general welfare of the State, to consider and diligently inquire into the causes of these mischiefs that attend upon the rule of our cities, and see if they spring from or are the actual development of any inherent defect in the existing mode of government, or if they are the result of any tendency to extravagance, that by its abuse will work its own effectual cure. A glance at the enormous debts and stupendous schemes for public improvements undertaken by the numerous cities of the country, is sufficient inducement to this investigation, and will convince the most skeptical that a speedy and radical remedy must be found to arrest these courses, and to prevent the further extension of cities which will be destroyed, and repudiation, to which resort some have already been driven, will be the only recourse from ruin. It will not do to mock at the voice of warning and entrench ourselves behind the natural growth of our cities and the consequent accumulation of wealth and appreciation of property therein, will liquidate all the bonds this generation can impose upon the next, for experience and history have shown that every generation of local government, and the only safe, wise and honest course for individuals and communities to pursue, is to live within their means and pay as they go.

The exercise of a local jurisdiction by towns and cities had its origin in the remotest antiquity. The vestiges of this power can be traced in the ancient remains of the Grecian cities of Phoenicia and Egypt. In the municipalities of Greece political rights were clearly defined, and each city was sovereign and acknowledged no authority but that of its own creation. Under the rule of Rome a disordered and chaotic system of municipal government was established by a distinguished historian: "A community of the citizens are members of the whole nation, all possessing the same rights and subject to the same burdens, but maintaining an independence in all local matters which concern not the nation at large." Of like character were the immunities and rights wrested from Feudalism by the cities of the middle ages. These cities of the past were conservative of the sciences and art, the abodes of industry and the nurseries of political, moral and religious freedom, and to them we are indebted for the principles of constitutional liberty and a knowledge of the practical methods of government so useful in the administration of our municipal affairs.

The cities of England obtained the right of local self government about the beginning of the thirteenth century, and their growth in population and wealth kept pace with their independence. Their political importance likewise increased as their political power was augmented, and we find them graciously favored by kings and parliaments. In the latter half of the eighteenth century, when a spirit of independence and a desire for a more liberal and just government were abroad, the cities of England were again favored by the same spirit, and their political power was augmented, and we find them graciously favored by kings and parliaments. In the latter half of the eighteenth century, when a spirit of independence and a desire for a more liberal and just government were abroad, the cities of England were again favored by the same spirit, and their political power was augmented, and we find them graciously favored by kings and parliaments.

The deplorable condition of some cities that are overburdened with debt, and with public improvements unfinished, that must be completed, is the result largely of undue and strained assistance accorded to these municipalities by the State governments. Legislatures voted them the largest possible grants of power, excused and approved them, and the judiciary in some of the States have sustained every grant of power to tax, where the amount to be raised was to be dedicated to a public improvement, even if the benefit was remote and contingent, as in the construction of railways at a distance from a city to divert trade to its marts, and other like projects. A well known and able writer asserts, that our cities are the prey of jobbers, and the curse and ruin of our country. This is more the result of the system than the fault of the city officials. Honest men cannot be made by legislation, but to the power for evil of those who are dishonest or careless a limit can and should be fixed. There should be some abuse is not in the disposition to do wrong, but in the license to speculate and plunder. It is the power to do that which is done and the evil done, unless he is thoroughly dishonest, before he takes advantage of his neighbor, but the same man will not scruple a moment when his approval is asked for a project, which, under the guise of a public improvement, is to despoil the whole community of a part of its property. Again, it is an admitted fact that every public enterprise always costs more, and sometimes twice as much as a private one, and the cost to administer the several departments in our cities is a striking illustration of his truth.

Is there any good reason why the cost of the management of these departments should in

some instances be four or five times in excess of the amount paid fifteen years ago, while compared therewith the increase of population and appreciation of property has been merely nominal?

Does the indifference and heartiness with which this subject of the government of cities has been heretofore regarded, forbid the hope that there can be unanimity of sentiment among citizens to devise and enforce measures that will emancipate our cities from the inevitable consequences of these reckless expenditures, or will they await until their property is irretrievably mortgaged, and their honor and fair fame smothered with the stains of bankruptcy? The immunity from criticism and investigation which these schemes for public improvements enjoy, gives encouragement and protection to every invention of fraud and plunder, and people who are taxed and who contribute to the public treasury to these exactions, are to a great extent responsible therefor.

The bulk of the taxation in our great cities falls upon the property holders; the mass of the citizens do not feel its burden, and are unconcerned about the public expenditure or rejoice thereat and approve them when they minister to their enjoyment, as do the jockeys, or add to their protection and benefits, as do the police and schools. This mass of citizens forgetful of that cardinal principle of our institutions, "that those must vote the tax who pay it," control the elections and send men to the polls, or add to their protection and benefits, as do the jockeys, or add to their protection and benefits, as do the police and schools. This mass of citizens forgetful of that cardinal principle of our institutions, "that those must vote the tax who pay it," control the elections and send men to the polls, or add to their protection and benefits, as do the jockeys, or add to their protection and benefits, as do the police and schools.

Our cities formerly had but few wants; their charters were simple in their provisions, easily understood, and conferred all the powers necessary for local government. Within the last few years, however, every department of local government from the smallest street cleaning, to the largest district, has been constantly applying to the State legislature for extensions of authority. The rights of taxation and appropriating private property for public uses, have been delegated to the cities, and the State legislature has scattered these extraordinary powers broadcast over the land, and in the hands of inconsiderate and irresponsible men, they have been made under the specious plea of public improvements, the engines of oppression and robbery. Many of the burdens our people have to bear, have been created by the vicious habit of leasing bonds at high rates of interest for contemplated improvements. Multitudinous national, State, city, county and town bonds have been issued, and the smaller imitating the larger local interests in making these drafts on posterity at rates of interest ranging from four and a half to ten per centum per annum, and the payment of the interest on these bonds has become a heavy burden on the people, and a constant drain upon industry and enterprise. The contrast afforded by a comparison of the government of the municipalities of Pennsylvania with that of her cities is curious and instructive. Twenty-five years ago a like spirit of extravagance and mania for public improvements prevailed throughout the State, and her policy was marked by the same extravagance. Her municipal and other public works, and was the parent of a debt of \$10,000,000, and of the corruption and evil practices that aroused the people to a more judicious and conservative policy. The same spirit of extravagance and mania for public improvements prevailed throughout the State, and her policy was marked by the same extravagance. Her municipal and other public works, and was the parent of a debt of \$10,000,000, and of the corruption and evil practices that aroused the people to a more judicious and conservative policy.

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The bulk of the taxation in our great cities falls upon the property holders; the mass of the citizens do not feel its burden, and are unconcerned about the public expenditure or rejoice thereat and approve them when they minister to their enjoyment, as do the jockeys, or add to their protection and benefits, as do the police and schools. This mass of citizens forgetful of that cardinal principle of our institutions, "that those must vote the tax who pay it," control the elections and send men to the polls, or add to their protection and benefits, as do the jockeys, or add to their protection and benefits, as do the police and schools.

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